

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 04638 300849Z  
ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 SP-02 USIA-06 AID-05 EB-08  
NSC-05 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00  
FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04  
SIL-01 EUR-12 IO-13 NEA-10 L-03 H-01 PRS-01 PA-01  
DODE-00 DOTE-00 FMC-01 CG-00 DLOS-09 OES-06 /132 W  
-----302135Z 046530 /61

R 300730Z MAR 77  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 7769  
INFO AMEMBASSY BANGKOK  
AMEMBASSY KUALA LUMPUR

LIMITED OFFICIAL USE MANILA 4638

USADB

FOR NAC AGENCIES

BANGKOK FOR RED

E.O. 11652: ADS, DECLAS 6/30/77  
TAGS: EAID, EFIN  
SUBJECT: ADB LOAN FOR SECOND PENANG PORT EXPANSION

REF: (A) TREASURY 77-34 (NOTAL), (B) MANILA 3844  
(C) KUALA LUMPUR 1799, (D) BANGKOK 6036, (E) BANGKOK 6469

1. ON MARCH 29, ADB BOARD OF DIRECTORS APPROVED \$10.0  
MILLION LOAN FROM ORDINARY CAPITAL RESOURCES TO GOVERNMENT  
OF MALAYSIA FOR SUBJECT PROJECT. STANDARD CHARTERED BANK,  
NEW YORK, HAS AGREED TO PARTICIPATE IN EARLY MATURITIES  
OF LOAN. PRESS RELEASE BEING POUCHED.

2. RE CONCERN EXPRESSED BY DEPARTMENT OF TRANSPORTATION  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 04638 300849Z

REPRESENTATIVE DURING NAC CONSULTATIONS ABOUT SMALL STORAGE  
AREA PROVIDED FOR CONTAINERS AND ROLL-ON/ROLL-OFF BERTH  
(PER REFTEL A), U.S. DIRECTOR RAISED ISSUE DURING BOARD  
MEETING. STAFF SUBSEQUENTLY PROVIDED FOLLOWING VIEWS  
OF ADEQUACY OF AREA:

A. OWING TO PHYSICAL CONSTRAINTS OF SITE, ARRANGE-  
MENT OF CONTAINER WHARF IS NOT IDEAL. HOWEVER, MAXIMUM

EFFORT HAS BEEN GIVEN TO ENSURE BEST POSSIBLE OPERATION OF CONTAINER-CUM-RO/RO BERTH. BY EXAMING PRESENT LAYOUT OF BUTTERWORTH WHARVES AND BERTH NO. 6 IN PARTICULAR, 3 CRITICAL POINTS ARE NOTED: (I) WIDTH OF WHARF IS NARROW AND WILL NOT ALLOW SPACIOUS CONTAINER AND RO/RO OPERATIONS: (II) CONNECTION BETWEEN WHARF AND BACK-UP AREA (CONTAINER MARSHALLING YARD AND CONTAINER FREIGHT STATION); AND (III) SHAPE OF BACK-UP AREA IS NOT IDEAL.

B. WIDTH OF WHARF WAS CAREFULLY EXAMINED AND IT WAS FOUND THAT 2 FEEDER LANES FROM BACK-UP AREA TO WHARF AND ONE RETURN LANE FROM WHARF TO BACK-UP AREA COULD BE EASILY ARRANGED PROVIDED NO CONTAINER STACKING ON WHARF IS ALLOWED UNDER NORMAL OPERATING CONDITIONS.

C. SECOND POINT WAS CAREFULLY EXAMINED WITH USE OF A SCALE MODEL (PRIME MOVERS, CHASSIS AND REQUIRED LANES WERE SET UP AND, FROM AN EXAMINATION OF MODEL, IT WAS PROVED THAT ONE CONNECTING BRIDGE CAN SUPPORT EXPECTED AMOUNT OF CONTAINER AND RO/RO TRAFFIC). CONNECTING BRIDGE JUST BEHIND BERTH NO. 6 MUST, HOWEVER, BE LIMITED EXCLUSIVELY TO USE OF BERTH NO. 6. REMAINING BERTH NOS. 1 TO 5 COULD BE ADEQUATELY SERVED BY FOUR REMAINING CONNECTING BRIDGES. THIS ARRANGEMENT WAS CHECKED BY STAFF OF PENANG PORT COMMISSION WHO CONCLUDED THAT ARRANGEMENT IS PRACTICAL.

D. TOTAL AREA OF CONTAINER MARSHALLING YARD CAN EASILY ACCOMMODATE BETWEEN 2,000 TO 3,000 TEU'S WITH PARTIAL THREE HIGH STACKING. IN ADDITION, A CONTAINER FREIGHT STATION, WITH 28 BAYS, IS PRESENTLY LOCATED IN THIS AREA AND, IF NECESSARY, FURTHER EXPANSION IS POSSIBLE. PROPOSED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MANILA 04638 300849Z

HANDLING SYSTEM IS TO USE A TRANSTAINER AND CHASSIS SUPPORTED BY 2 STRADDLE CARRIERS. AT LATER STAGE, SECOND TRANSTAINER MAY BE NECESSARY IF AN ADDITIONAL CONTAINER GANTRY CRANE IS INTRODUCED.

E. PENANG PORT HAS AN IMBALANCE BETWEEN IMPORTS AND EXPORTS HANDLED IN CONTAINERS AND THIS IS EXPECTED TO CONTINUE IN FUTURE. THEREFORE, STACKING OF EMPTY CONTAINERS CAN BECOME A SERIOUS PROBLEM. FOR THIS PURPOSE, A SPECIAL AREA FOR STACKING OF EMPTY CONTAINERS HAS BEEN PROPOSED A LITTLE BIT FURTHER FROM CONTAINER MARSHALLING YARD BUT STILL WITHIN BUTTERWORTH WHARVES COMPLEX.

F. SINCE EXPECTED CONTAINER TRAFFIC TO PORT IS MEDIUM IN LOT SIZE PER CALL DUE TO FACT THAT PORT CANNOT ACCEPT THIRD GENERATION CONTAINERSHIPS, PROPOSED LAYOUT CAN HANDLE CONTAINER TRAFFIC EXPECTED AT PENANG PORT IN IMMEDIATE FUTURE.

SULLIVAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, PROGRAMS (PROJECTS), PORTS, DEVELOPMENT LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 30-Mar-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977MANILA04638  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** DG ALTERED  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770109-0585  
**Format:** TEL  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t1977037/aaaaaftp.tel  
**Line Count:** 114  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 3dd5bab9-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 MANILA 3844, 77 KUALA LUMPUR 1799, 77 BANGKOK 6036, 77 BANGKOK 6469  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 04-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3139383  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB LOAN FOR SECOND PENANG PORT EXPANSION  
**TAGS:** EAID, EFIN, ADB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/3dd5bab9-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009